

SAVINGS PROVISION

Prosecutions for any violation of law occurring, and civil seizures or forfeitures and injunctive proceedings commenced, prior to the effective date of amendment of this section by section 1102 of Pub. L. 91-513 not to be affected or abated by reason thereof, see section 1103 of Pub. L. 91-513, set out as a note under section 171 of Title 21, Food and Drugs.

CHAPTER 74—CLOSING AGREEMENTS AND COMPROMISES

Sec.	
7121.	Closing agreements.
7122.	Compromises.
7123.	Cross references.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 514, 7851 of this title.

§ 7121. Closing agreements

(a) Authorization

The Secretary is authorized to enter into an agreement in writing with any person relating to the liability of such person (or of the person or estate for whom he acts) in respect of any internal revenue tax for any taxable period.

(b) Finality

If such agreement is approved by the Secretary (within such time as may be stated in such agreement, or later agreed to) such agreement shall be final and conclusive, and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact—

(1) the case shall not be reopened as to the matters agreed upon or the agreement modified by any officer, employee, or agent of the United States, and

(2) in any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded.

(Aug. 16, 1954, ch. 736, 68A Stat. 849; Oct. 4, 1976, Pub. L. 94-455, title XIX, § 1906(b)(13)(A), 90 Stat. 1834.)

AMENDMENTS

1976—Subsecs. (a), (b). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

CROSS REFERENCES

Deduction for deficiency dividends, see section 547 of this title.

Fraud and false statements, see section 7206 of this title.

Joint returns of income tax by husband and wife, see section 6013 of this title.

Mitigation of effect of limitations and other provisions, see section 1313 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 547, 860, 1313, 6013, 7206 of this title.

§ 7122. Compromises

(a) Authorization

The Secretary may compromise any civil or criminal case arising under the internal revenue laws prior to reference to the Department of

Justice for prosecution or defense; and the Attorney General or his delegate may compromise any such case after reference to the Department of Justice for prosecution or defense.

(b) Record

Whenever a compromise is made by the Secretary in any case, there shall be placed on file in the office of the Secretary the opinion of the General Counsel for the Department of the Treasury or his delegate, with his reasons therefor, with a statement of—

(1) The amount of tax assessed,

(2) The amount of interest, additional amount, addition to the tax, or assessable penalty, imposed by law on the person against whom the tax is assessed, and

(3) The amount actually paid in accordance with the terms of the compromise.

Notwithstanding the foregoing provisions of this subsection, no such opinion shall be required with respect to the compromise of any civil case in which the unpaid amount of tax assessed (including any interest, additional amount, addition to the tax, or assessable penalty) is less than \$500.

(Aug. 16, 1954, ch. 736, 68A Stat. 849; Oct. 4, 1976, Pub. L. 94-455, title XIX, § 1906(b)(13)(A), 90 Stat. 1834.)

AMENDMENTS

1976—Subsecs. (a), (b). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

CROSS REFERENCES

Compromise of liability under the Federal Alcohol Administration Act, see section 207 of Title 27, Intoxicating Liquors.

Deposit of collections, see section 7809 of this title.

Fraud and false statement, see section 7206 of this title.

Joint returns of income tax by husband and wife, see section 6013 of this title.

Limitation on credit or refund, see section 6511 of this title.

Mitigating effect of—

Limitation in case of related taxes under different chapters, see section 6521 of this title.

Limitations and other provisions, see section 1311 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 63, 473, 1311, 6013, 6103, 6325, 6511, 6521, 7206, 7809 of this title.

§ 7123. Cross references

For criminal penalties for concealment of property, false statement, or falsifying and destroying records, in connection with any closing agreement, compromise, or offer of compromise, see section 7206.

(Aug. 16, 1954, ch. 736, 68A Stat. 850; Sept. 13, 1982, Pub. L. 97-258, § 3(f)(12), 96 Stat. 1065.)

AMENDMENTS

1982—Subsec. (a). Pub. L. 97-258, § 3(f)(12)(A), struck out heading “Criminal penalties”.

Subsec. (b). Pub. L. 97-258, § 3(f)(12)(B), struck out subsec. (b) which set forth cross reference to R.S. 3469 (31 U.S.C. 194) relating to compromises after judgment.

CHAPTER 75—CRIMES, OTHER OFFENSES, AND FORFEITURES

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Subchapter A—Crimes

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II.	Penalties applicable to certain taxes.

PART I—GENERAL PROVISIONS

Sec.	
7201.	Attempt to evade or defeat tax.
7202.	Willful failure to collect or pay over tax.
7203.	Willful failure to file return, supply information, or pay tax.
7204.	Fraudulent statement or failure to make statement to employees.
7205.	Fraudulent withholding exemption certificate or failure to supply information.
7206.	Fraud and false statements.
7207.	Fraudulent returns, statements, or other documents.
7208.	Offenses relating to stamps.
7209.	Unauthorized use or sale of stamps.
7210.	Failure to obey summons.
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7212.	Attempts to interfere with administration of internal revenue laws.
7213.	Unauthorized disclosure of information.
7214.	Offenses by officers and employees of the United States.
7215.	Offenses with respect to collected taxes.
7216.	Disclosure or use of information by preparers of returns.
[7217.	Repealed.]

AMENDMENTS

1982—Pub. L. 97-248, title III, § 357(b)(2), Sept. 3, 1982, 96 Stat. 646, struck out item 7217 “Civil damages for unauthorized disclosure of returns and return information”.

1976—Pub. L. 94-455, title XII, § 1202(e)(2), Oct. 4, 1976, 90 Stat. 1687, added item 7217.

1971—Pub. L. 92-178, title III, § 316(b), Dec. 10, 1971, 85 Stat. 529, added item 7216.

1958—Pub. L. 85-321, § 3(b), Feb. 11, 1958, 72 Stat. 6, added item 7215.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 6420, 6421, 6427, 7851 of this title; title 48 sections 1421i, 1612.

§ 7201. Attempt to evade or defeat tax

Any person who willfully attempts in any manner to evade or defeat any tax imposed by this title or the payment thereof shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than \$100,000 (\$500,000 in the case of a corporation), or imprisoned not more than 5 years, or both, together with the costs of prosecution.

(Aug. 16, 1954, ch. 736, 68A Stat. 851; Sept. 3, 1982, Pub. L. 97-248, title III, § 329(a), 96 Stat. 618.)

AMENDMENTS

1982—Pub. L. 97-248 substituted “\$100,000 (\$500,000 in the case of a corporation)” for “\$10,000”.

¹ Section numbers editorially supplied.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 329(e) of Pub. L. 97-248 provided that: “The amendments made by this section [amending this section and sections 7203, 7206, and 7207 of this title] shall apply to offenses committed after the date of the enactment of this Act [Sept. 3, 1982].”

CROSS REFERENCES

Costs in criminal proceedings, see section 1918 of Title 28, Judiciary and Judicial Procedure.

Definition of person, see section 7343 of this title.

Effective date of this chapter, see section 7851 of this title.

Penalty for—

Delivery or disclosure of false or fraudulent return, statement or other document, see section 7207 of this title.

Making or subscribing false return, see section 7206(1) of this title.

Period of limitation—

Criminal prosecutions arising under internal revenue laws, see section 6531 of this title.

Offenses not capital, see section 3282 of Title 18, Crimes and Criminal Procedure.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 5684, 7501 of this title; title 7 section 12a; title 8 section 1101; title 18 sections 1956, 3237.

§ 7202. Willful failure to collect or pay over tax

Any person required under this title to collect, account for, and pay over any tax imposed by this title who willfully fails to collect or truthfully account for and pay over such tax shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both, together with the costs of prosecution.

(Aug. 16, 1954, ch. 736, 68A Stat. 851.)

CROSS REFERENCES

Costs in criminal proceedings, see section 1918 of Title 28, Judiciary and Judicial Procedure.

Effective date of this chapter, see section 7851 of this title.

Period of limitation on criminal prosecutions, see section 6531 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 7501 of this title.

§ 7203. Willful failure to file return, supply information, or pay tax

Any person required under this title to pay any estimated tax or tax, or required by this title or by regulations made under authority thereof to make a return, keep any records, or supply any information, who willfully fails to pay such estimated tax or tax, make such return, keep such records, or supply such information, at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$25,000 (\$100,000 in the case of a corporation), or imprisoned not more than 1 year, or both, together with the costs of prosecution. In the case of any person with respect to whom there is a failure to pay any estimated tax, this section shall not apply to such person with respect to such failure if there is no addition to